



25 Sigourney Street
Hartford CT 06106-5032

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

SN 2001(3)

SPECIAL NOTICE

Sales and Use Tax Exemptions for Nonprescription Drugs and Medicines and Smoking Cessation Products

Purpose: This Special Notice describes the sales and use tax exemption for certain nonprescription drugs and medicines, as described in Conn. Gen. Stat. §12-412(48), which was amended in 2000 to remove references to “human” and “person” to clarify that the exemption applies to over-the-counter veterinary medicines.

In addition, this Special Notice describes a new exemption for smoking cessation products approved in 2001.

Effective Date: The amendment to Conn. Gen. Stat. §12-412(48) to include over-the-counter veterinary medicines is effective for sales of such medicines made on or after October 1, 2000. The new exemption for smoking cessation products in Conn. Gen. Stat. §12-412(111) is effective for sales of such products made on or after July 1, 2001.

Statutory Authority: Conn. Gen. Stat. §12-412(48), as amended by 2000 Conn. Pub. Acts 174, §11, and Conn. Gen. Stat. §12-412(111).

Nonprescription Drugs and Medicines Exempt Under Conn. Gen. Stat. §12-412(48): The following is a list of the nonprescription drugs and medicines that may be purchased under Conn. Gen. Stat. §12-412(48). These nonprescription drugs or medicines may be purchased for internal or external use.

- Analgesics
- Anesthetics
- Antacids
- Anthelmintics
- Antibiotic, antibacterial, antiviral, and antifungal medicines
- Antidiarrheal medicines
- Antihistamines

- Antiseptics
- Astringents
- Cough, cold, asthma, or allergy medicines
- Dietary supplements
- Emetics and antiemetics
- Eye, ear, or nose medications
- Laxatives
- Natural or herbal drugs or medicines
- Steroidal medicines
- Vitamin or mineral concentrates

Prescription drugs and medicines, diabetic supplies, and certain medical equipment are exempt under separate provisions of Conn. Gen. Stat. §12-412.

Smoking Cessation Products: Conn. Gen. Stat. §12-412(111) provides an exemption for specially formulated gum, inhalants, or similar products (including patches and tablets) designed to aid in the cessation of a smoking habit. Conn. Gen. Stat. §12-412(111) is effective for sales of these products that are made on or after July 1, 2001.

Definitions of Categories of Exempt Drugs and Medicines: The following are brief definitions and descriptions of each of the categories of nonprescription drugs and medicines that are listed in or exempted by Conn. Gen. Stat. §12-412(48):

Analgesics

Drugs and medicines intended to reduce or eliminate pain, fever, or inflammation; includes aspirin and other salicylates, acetaminophen, ibuprofen, and naproxen.

Anesthetics

Drugs and medicines intended to deaden or cause insensitivity to pain; includes benzocaine and lidocaine.

Antacids

Products intended to prevent, neutralize, or reduce stomach acid and to prevent or reduce gas, nausea, and bloating.

Anthelmintics

Drugs or medicines intended to expel or destroy worms, such as roundworms and tapeworms.

Antibiotic, Antibacterial, Antiviral, and Antifungal Medicines

Drugs and medicines intended to destroy or inhibit the growth of bacteria, viruses, fungi (including yeasts), and other microorganisms.

Antidiarrheal Medicines

Products intended to relieve diarrhea.

Antihistamines

Products containing antihistamines (or “histamine blockers”) intended to be taken for a variety of symptoms and conditions, including allergies and allergic reactions, coughs, colds, insomnia, insect bites, itching, drowsiness, nausea, and motion sickness.

Antiseptics

Products intended to clean wounds or sores and destroy or inhibit the growth of microorganisms; includes rubbing alcohol, hydrogen peroxide, and iodine.

Astringents

Products intended to draw together or constrict tissue; includes alum, styptics, witch hazel, and zinc oxide.

Cough, Cold, Asthma, or Allergy Medicines

Products intended to be taken for relief from coughs, colds, influenza, asthma, or allergies, such as products containing analgesics, antihistamines, cough suppressants and expectorants, individually or in combination with one another. These products are usually intended to eliminate or reduce associated symptoms such as fever, chills, pain, coughing, sore throat, wheezing, nasal congestion, dryness, headache, insomnia, or drowsiness.

Dietary Supplements

Products specifically designed and marketed as nutritional supplements or dietary enhancements.

Dietary supplements generally include specific vitamins, minerals, protein, carbohydrates, fiber, or other nutritional substances.

Dietary supplements are usually sold as food items (such as nutritional food bars, drinks, or drink mixes), diet and weight loss products, “fat burning” products,

weight gain products, health food products, bodybuilding or strength enhancing products, or as drugs and medicines. This definition applies to human use and does not apply to animal use.

Dietary supplements for animals are exempt only if they are specifically designed and marketed as dietary supplements in the form of vitamins, minerals, tonics, and other nutritional substances to be given to an animal, in addition to, rather than instead of, its regular food. Food for animals, including specially formulated food, is taxable. See **Policy Statement 2001(9)**, *Sales and Use Taxes on Sales and Purchases Made by Veterinarians*.

Emetics and Antiemetics

Products intended to induce or prevent vomiting.

Eye, Ear, or Nose Medications

Products intended to be used in or on the eyes, ears, or nose.

Laxatives

Products intended to stimulate evacuation of the bowels, including stool softeners and enemas.

Natural or Herbal Drugs or Medicines

All types of drugs, medicines, vitamins, minerals, and dietary supplements that are derived or made from natural, herbal, or vegetable sources or substances.

Steroidal Medicines

Products containing steroids intended for the relief of pain, inflammation, itching, and other symptoms; includes hydrocortisone.

Vitamin or Mineral Concentrates

Vitamin or mineral preparations, such as multivitamins, multivitamins plus minerals, individual vitamins, individual minerals, or any combination thereof, for internal or external use.

List of Common Exempt Items: Many of the nonprescription drugs and medicines that are listed in Conn. Gen. Stat. §12-412(48) are readily identifiable based on the definitions above. However, some products contain as active ingredients more than one category of drug or medicine, or are not easy to identify based solely on their names.

The following is a list of nonprescription products that usually consist of or contain drugs and medicines listed in Conn. Gen. Stat. §12-412(48) as their active ingredients, and that are therefore exempt:

Acne creams, lotions, and pads with benzoyl peroxide
 Allergy pills and creams
 Aloe vera gel
 Alum
 Antacid pills, chewable tablets, and liquids
 Anti-itch creams and sprays
 Arthritis creams and rubs
 Astringent skin cleansers, lotions, and pads
 Athlete's foot medicines
 Bandages medicated with antiseptics or antibiotics
 Boric acid
 Burn sprays, creams, and ointments
 Calamine lotion
 Canker sore medicines
 Cold and flu medicines
 Cold sore medicines
 Contact lens cleaning and disinfecting solutions
 Cough drops and lozenges
 Diaper rash creams with zinc oxide
 Diarrhea medicines
 Diet and weight loss products consisting primarily of vitamins or minerals
 Ear drops
 Ear wax removal products
 Echinacea
 Eczema creams
 Enemas
 Epsom salt
 Eye drops
 Eye washes
 Fever reducing medicines
 Foot creams, soaks, sprays, and powders (except foot deodorants)
 Garlic pills
 Gas relief or prevention medicines
 Ginkgo biloba
 Ginseng
 Hemorrhoidal ointments, suppositories, and swabs
 Hydrocortisone creams
 Hydrogen peroxide
 Insect bite creams and sprays
 Iodine
 Ipecac syrup
 Laxatives and cathartics
 Lip balms
 Medicated chest rubs
 Medicated douches
 Menopause symptom products
 Menstrual or premenstrual symptom products

Menthol gel
 Milk of magnesia
 Nasal sprays and drops
 Nutritional food drinks, powders, and bars
 Pain relievers
 Pediatric electrolyte and fluid replacement products
 Poison ivy creams and sprays
 Psoriasis creams
 Rubbing alcohol and alcohol swabs
 Saline solution for contact lenses
 Skin creams with zinc oxide
 Sleep aids
 Sore throat sprays
 Sports creams
 St. John's wort
 Stool softeners
 Styptic pencils
 Sunburn sprays, creams, and ointments
 Talcum powder medicated with zinc oxide or menthol
 Teething and tooth pain medicines
 Urinary pain relief products
 Vitamin and mineral tablets, capsules, and creams
 Wart, corn, and bunion removal medicines with salicylic acid
 Witch hazel
 Yeast infection medicines
 Zinc oxide creams

This list is **not all-inclusive**. Please refer to the definitions of categories of exempt drugs and medicines above and the lists of taxable items below.

Taxable Items Specifically Excluded from the Exemption: Conn. Gen. Stat. §12-412(48) specifically *excludes* several categories of items from the exemption. The following categories of items are taxable, even if they contain drugs or medicines:

- Cosmetics
- Dentifrices (toothpaste, tooth powder, dental floss, denture cream, denture cleaner, etc.)
- Deodorants (underarm, foot, feminine, etc.)
- Hair care products (shampoo, conditioner, hairspray, dandruff remedies, etc.)
- Mouthwash
- Shaving products (shaving cream, aftershave lotion, depilatories, etc.)
- Soaps (skin, body, facial, foot, etc.)

Products that are marketed as items in these categories remain subject to sales and use taxes. For example, mouthwashes are not exempt even though they contain antiseptics such as alcohol or hydrogen peroxide or are labeled “antiseptic.” Likewise, medicated cosmetics, medicated toothpaste, medicated aftershave lotion or shaving cream, medicated soap, medicated shampoo and dandruff treatments, and medicated deodorants are **not** exempt, regardless of how they are labeled.

Other Taxable Items Not Included in the Exemption: The following nonprescription items are **not** exempt because they do not contain one of the categories of exempt drugs and medicines among their active ingredients. This list is **not all-inclusive**:

- Appetite suppressants whose active ingredients are caffeine or phenylpropanolamine
- Bandages and wound dressings (unless medicated with antiseptics or antibiotics)
- Caffeine products for drowsiness
- Contraceptive products
- Cotton swabs
- Diuretics
- Hair growing products with minoxidil
- Hair removal products
- Lice treatment products
- Lubricating jelly
- Mineral oil
- Moisturizers
- Petroleum jelly
- Sanitary napkins and tampons
- Skin, hand, face, and body creams and lotions (unless medicated with zinc oxide or benzoyl peroxide)
- Suntan lotion, sunscreens, and sunblocks
- Talcum and baby powder (unless medicated with zinc oxide or menthol)

Effect on Other Documents: **Special Notice 2001(3)** modifies and supersedes **Special Notice 99(12)**, *Sales and Use Tax Exemption for Nonprescription Drugs and Medicines*, which may no longer be relied upon on or after the date of issuance of this publication.

Effect of This Document: A Special Notice is a document that announces a new policy or practice in response to changes in State or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by DRS and may be referred to for general guidance by taxpayers or tax practitioners.

For Further Information: Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling **860-297-4911**.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.